



(Billing Code 5001-06)

**DEPARTMENT OF DEFENSE**

**Defense Acquisition Regulations System**

**48 CFR Parts 204, 232, 243, and Appendix F to Chapter 2**

**[Docket DARS-2015-0025]**

**RIN 0750-AI54**

**Defense Federal Acquisition Regulation Supplement: Uniform  
Procurement Identification (DFARS Case 2015-D011)**

**AGENCY:** Defense Acquisition Regulations System, Department of Defense (DoD).

**ACTION:** Final rule.

**SUMMARY:** DoD is issuing a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to conform with the uniform procurement identification procedures implemented in the Federal Acquisition Regulation (FAR).

**DATES: Effective Date:** [Insert date of publication in the FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Ms. Jennifer Johnson, telephone 571-372-6100.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

DoD published a proposed rule in the Federal Register at 80 FR 30030 on May 26, 2015, to amend the DFARS to conform with the uniform procurement identification procedures implemented in the

FAR through final rule 2012-023 (79 FR 61739, published October 14, 2014, became effective November 13, 2014). The final FAR rule implemented a uniform procurement instrument identification system for various procurement transactions across the Federal Government. DFARS coverage of uniform procurement instrument identification must be synchronized with the FAR coverage so that the identification numbers of DoD-issued contracts, orders, and other procurement instruments will comply with FAR subpart 4.16 as amended by final FAR rule 2012-023. Three respondents submitted public comments in response to the proposed rule.

## **II. Discussion and Analysis**

DoD reviewed the public comments in the development of the final rule. A discussion of the comments and the significant changes made to the rule as a result of those comments is provided as follows:

### **A. Summary of Significant Changes**

This final rule makes the following significant changes from the proposed rule:

- DFARS 204.1601(b) - The date of October 1, 2015, which was the date DoD Components were encouraged to start implementation, has been removed since that date has passed.
- DFARS 204.1603(a)(3) - Clarifies use of the letters C, H, M, and T in the ninth position of a procurement instrument identifier (PIID).

- DFARS 232.905(b)(1)(iii) - Clarifies that basic contract or ordering agreement numbers may be included on invoices and receiving reports in addition to the task order or delivery order numbers.

## B. Analysis of Public Comments

### 1. General

#### a. Consistency with the FAR

Comment: One respondent requested assurance that the rule is consistent with the FAR due to uncertainty regarding how uniform procurement identification is being implemented.

Response: The implementation of uniform procurement identification in the DFARS is consistent with the FAR. The amendments to the DFARS accomplish the following: (1) removal of the language that is duplicative of FAR language; (2) relocation of the remaining, nonduplicative DFARS language to subpart 204.16 to align with FAR subpart 4.16; (3) establishment of a timeline for implementation within DoD of the changes now required by the FAR; (4) confirmation that DoD will continue to use PIIDs that are 13 characters in length; and (5) revision of procedures for payment documentation and Wide Area WorkFlow (WAWF) to implement the FAR changes to task order and delivery order PIIDs.

#### b. Request for Meeting with Industry

Comment: One respondent requested that DoD hold a meeting with industry to ensure the concerns of industry have been considered and addressed before the rule takes effect.

Response: FAR final rule 2012-023, containing the uniform PIID requirements, was published in October 2014, and the few public comments received were addressed at that time. The DFARS final rule does not change any of the FAR requirements. Therefore, a public meeting is deemed to be unnecessary.

## 2. Implementation

### a. Timing of Implementation

Comment: One respondent asked that the uniform PIID changes not take effect before contract writing, invoicing, and other systems are modified to accommodate the changes.

Response: Each DoD Component is scheduling its implementation in order to complete the transition by the beginning of fiscal year 2017. The enterprise Procurement Desktop Defense (PD2) contract writing system (also known as the Standard Procurement System, or SPS) and WAWF have been tested before fielding the changes. The WAWF Invoices Receipt Acceptance and Property Transfer (iRAPT) Electronic Data Interchange and File Transfer Protocol Implementation Guides have been updated.

### b. Impact on Industry Systems

Comment: One respondent commented that there is uncertainty regarding how the uniform PIID changes will impact industry

systems and the resources required to insert the new data constructs. Another respondent commented that industry will need to modify existing systems integrating with WAWF.

Response: Implementation of the FAR uniform PIID requirements in the DFARS is designed to limit the number of changes necessary to systems. At this time, the changes are essentially limited to the structure of task order and delivery order numbers issued under DoD ordering instruments, as well as modifications to these orders. However, these changes are consistent with the way task order and delivery order numbers issued under non-DoD ordering instruments have been constructed for many years. The anticipated impact to industry systems is as limited as possible with this implementation strategy.

c. Sufficient Time for Industry Implementation

Comment: Two respondents commented that industry must be allowed sufficient time to adequately implement the changes, including time to modify and test applicable systems. One respondent also commented that the short transition schedule will require double entry of data in industry systems and WAWF until the changes can be implemented.

Response: The FAR final rule containing the uniform PIID requirements became effective November 13, 2014. Each DoD Component is scheduling its implementation in order to transition by the beginning of fiscal year 2017. For DoD, the

rule primarily affects the structure of task and delivery order numbers issued under DoD ordering instruments, as well as modifications to those orders. Implementation of the uniform PIID requirements will not require double entry of data in WAWF. If a task order or delivery order is issued prior to the transition to the new PIID numbering requirements, invoices will be submitted as they are today for orders placed under DoD ordering instruments. If a task order or delivery order is issued after the transition, invoices will be submitted in accordance with the changes specified in this DFARS final rule, which is the same process currently followed for invoices for task orders and delivery orders issued under non-DoD ordering instruments (e.g., Federal Supply Schedules).

### 3. System Issues

#### a. Contracts Issued in 2015 or Earlier

Comment: One respondent stated that it is unclear how the requirements of the rule will work with contracts issued in 2015 or earlier that were not numbered in accordance with the uniform PIID requirements.

Response: The DFARS changes are intended to apply prospectively. Therefore, existing contract numbers are not required to be updated, although this is not prohibited if the DoD Component chooses to do so. The DFARS changes address this possibility at 204.1601(c). Order numbers for task orders and

delivery orders already issued under DoD indefinite-delivery contracts and ordering agreements are not required to be changed, and modifications to these orders may continue to use two-character modification numbers. However, new orders issued after the transition to the new numbering structure must be numbered in accordance with the uniform PIID requirements; likewise, modifications to new orders also must use the new numbering structure.

b. Identification of Basic Contract or Agreement on Invoice and Receiving Reports

Comment: Two respondents expressed concern about the omission of basic contract and ordering agreement numbers from invoices for task orders and delivery orders, which would eliminate the linkage between the contract or agreement and its orders. This would make those orders more difficult to close out. Both respondents proposed language to allow contractors to include the basic contract and ordering agreement numbers on the invoices.

Response: Invoices for task orders and delivery orders numbered in accordance with the uniform PIID requirements will be directly traceable to the orders and to the basic contract or ordering agreement. The order itself contains the order's PIID as well as the PIID for the contract or agreement under which it was placed. Additionally, WAWF iRAPT will implement a change

proposal in the spring of 2016 that will enable improved search capabilities.

Regarding the proposed language to allow contractors to include the basic contract and ordering agreement numbers on invoices, DoD concurs and has incorporated this language into the final rule.

c. Traceability of Purchase Orders in Systems

Comment: One respondent identified an issue with the uniform PIID requirements that results in loss of the capability to search by purchase order identifier, which will inhibit traceability. The respondent also referenced a future release of WAWF iRAPT that would correct the issue.

Response: Concur that WAWF iRAPT release 5.9, scheduled to be implemented in the spring of 2016, will correct the search capability issue. This will mitigate the traceability concern.

d. Identification of Hybrid Contracts

Comment: One respondent commented that, although current DFARS text prohibits the use of the letter C in the ninth position of a PIID for contracts that include both definite and indefinite delivery requirements, the proposed DFARS changes do not continue this prohibition. The proposed DFARS changes would allow orders to be placed under a "C" type contract. The respondent asked if this shift from existing DoD policy was intentional.



Response: There is no shift in policy. The DFARS final rule includes clarifying language at DFARS 204.1603(a)(3)(C) to prohibit use of the letter C or H designators for contracts or agreements that include provisions for orders or calls.

e. Inclusion of Clauses in Task or Delivery Orders

Comment: One respondent recommended that all contract clauses from the basic contract or ordering agreement be included in each task or delivery order.

Response: This comment is outside the scope of the rule.

C. Other Changes

The final rule includes some minor editorial changes for clarity and consistency in the rule text.

- The examples of proper supplementary PIID numbering, previously located under DFARS 204.1603 are moved to DFARS PGI.
- The proposed rule deleted the text at DFARS 239.7407. This text is not deleted in the final rule.
- A cross reference to relocated text is updated at DFARS 243.172.

**III. Executive Orders 12866 and 13563**

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including

potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

#### **IV. Regulatory Flexibility Act**

A final regulatory flexibility analysis has been prepared consistent with the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., and is summarized as follows:

This final rule amends the Defense Federal Acquisition Regulation Supplement (DFARS) to conform with the uniform procurement instrument identification procedures implemented in the Federal Acquisition Regulation (FAR). The amendments to the DFARS accomplish the following: (1) removal of the language that is duplicative of FAR language; (2) relocation of the remaining, nonduplicative DFARS language to subpart 204.16 to align with FAR subpart 4.16; (3) establishment of a timeline for implementation within DoD of the changes now required by the FAR; (4) confirmation that DoD will continue to use procurement instrument identifiers (PIIDs) that are 13 characters in length;

and (5) revision of procedures for payment documentation and Wide Area WorkFlow (WAWF) to implement the FAR changes to task order and delivery order PIIDs.

There were no significant issues raised by the public in response to the initial regulatory flexibility analysis provided in the proposed rule.

This rule is not expected to have a significant impact on a substantial number of small entities. The primary changes that will impact DoD contractors from this final DFARS rule are essentially limited to the structure of task and delivery order numbers issued under DoD ordering instruments, as well as modifications to these orders.

This rule does not add any new information collection, reporting, or recording keeping requirements. The existing recordkeeping requirements are limited to properly recording contract and other procurement instrument identification numbers and inserting them into documents (e.g., invoices) as required under Government contracts. Preparation of these records requires clerical and analytical skills to create the documents and input them into the appropriate electronic systems.

No alternatives were determined to be available that will accomplish the objectives of the rule.

## **V. Paperwork Reduction Act**

The rule contains information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35); however, these changes to the DFARS do not impose additional information collection requirements to the paperwork burden previously approved under OMB Control Number 0704-0248 entitled "Material Inspection and Receiving Report."

**List of Subjects in 48 CFR Parts 204, 232, 243, and Appendix F to Chapter 2**

Government procurement.

**Jennifer L. Hawes,**

Editor, Defense Acquisition Regulations System.

Therefore, 48 CFR parts 204, 232, 243, and appendix F to chapter 2 are amended as follows:

1. The authority citation for 48 CFR parts 204, 232, 243, and appendix F to chapter 2 continues to read as follows:

**Authority:** 41 U.S.C. 1303 and 48 CFR chapter 1.

**PART 204—ADMINISTRATIVE MATTERS**

2. Add subpart 204.16 to read as follows:

**Subpart 204.16—Uniform Procurement Instrument Identifiers**

Sec.

204.1601 Policy.

204.1603 Procedures.

204.1670 Cross reference to Federal Procurement Data System.

204.1671 Order of application for modifications.

**Subpart 204.16—Uniform Procurement Instrument Identifiers**

**204.1601 Policy.**

(a) Establishment of a Procurement Instrument Identifier (PIID). Do not reuse a PIID once it has been assigned. Do not assign the same PIID to more than one task or delivery order, even if they are issued under different base contracts or agreements.

(b) Transition of PIID numbering. Effective October 1, 2016, all DoD components shall comply with the PIID numbering requirements of FAR subpart 4.16 and this subpart for all new solicitations, contracts, orders, and agreements issued, and any amendments and modifications to those new actions. See also PGI 204.1601(b).

(c) Change in the PIID after its assignment. When a PIID is changed after contract award, the new PIID is known as a continued contract.

(i) A continued contract—

(A) Does not constitute a new procurement;

(B) Incorporates all prices, terms, and conditions of the predecessor contract effective at the time of issuance of the continued contract;

(C) Operates as a separate contract independent of the predecessor contract once issued; and

(D) Shall not be used to evade competition requirements, expand the scope of work, or extend the period of performance beyond that of the predecessor contract.

(ii) When issuing a continued contract, the contracting officer shall—

(A) Issue an administrative modification to the predecessor contract to clearly state that—

(1) Any future awards provided for under the terms of the predecessor contract (e.g., issuance of orders or exercise of options) will be accomplished under the continued contract; and

(2) Supplies and services already acquired under the predecessor contract shall remain solely under that contract for purposes of Government inspection, acceptance, payment, and closeout; and

(B) Follow the procedures at PGI 204.1601(c).

#### **204.1603 Procedures.**

(a) Elements of a PIID. DoD-issued PIIDs are thirteen characters in length. Use only alpha-numeric characters, as prescribed in FAR 4.1603 and this subpart. Do not use the letter I or O in any part of the PIID.

(3) Position 9.

(A) DoD will use three of the letters reserved for departmental or agency use in FAR 4.1603(a)(3) in this position as follows:

(1) Use M to identify purchase orders and task or delivery orders issued by the enterprise FedMall system.

(2) Use S to identify broad agency announcements.

(3) Use T to identify automated requests for quotations by authorized legacy contract writing systems. See PGI 204.1603(a)(3)(A)(3) for the list of authorized systems.

(B) Do not use other letters identified in FAR 4.1603(a)(3) as "Reserved for future Federal Governmentwide use" or "Reserved for departmental or agency use" in position 9 of the PIID.

(C) Do not use the letter C or H for contracts or agreements with provisions for orders or calls.

(4) Positions 10 through 17. In accordance with FAR 4.1603(a)(4), DoD-issued PIIDs shall only use positions 10 through 13 to complete the PIID. Enter the serial number of the instrument in these positions. A separate series of serial numbers may be used for any type of instrument listed in FAR 4.1603(a)(3). DoD components assign such series of PIID numbers sequentially. A DoD component may reserve blocks of numbers or alpha-numeric numbers for use by its various activities.

(b) Elements of a supplementary PIID. In addition to the supplementary PIID numbering procedures in FAR 4.1603(b), follow the procedures contained in paragraphs (b)(2)(ii)(1) and (2) of this section. See PGI 204.1603(b) for examples of proper supplementary PIID numbering.

(2)(ii) Positions 2 through 6. In accordance with FAR 4.1603(b)(2)(ii), DoD-issued supplementary PIIDs shall, for positions 2 through 6 of modifications to contracts and agreements, comply with the following:

(1) Positions 2 and 3. These two digits may be either alpha or numeric characters, except—

(i) Use K, L, M, N, P, and Q only in position 2, and only if the modification is issued by the Air Force and is a provisioned item order;

(ii) Use S only in position 2, and only to identify modifications issued to provide initial or amended shipping instructions when—

(a) The contract has either FOB origin or destination delivery terms; and

(b) The price changes;

(iii) Use T, U, V, W, X, or Y only in position 2, and only to identify modifications issued to provide initial or amended shipping instructions when—



(a) The contract has FOB origin delivery terms;  
and

(b) The price does not change; and

(iv) Use Z only in position 2, and only to identify a modification which definitizes a letter contract or a previously issued undefinitized modification.

(2) Positions 4 through 6. These positions are always numeric. Use a separate series of serial numbers for each type of modification listed in paragraph (b) (2) (ii) of this section.

**204.1670 Cross reference to Federal Procurement Data System.**

Detailed guidance on mapping PIID and supplementary PIID numbers stored in the Electronic Document Access system to data elements reported in the Federal Procurement Data System can be found in PGI 204.1670.

**204.1671 Order of application for modifications.**

(a) Circumstances may exist in which the numeric order of the modifications to a contract is not the order in which the changes to the contract actually take effect.

(b) In order to determine the sequence of modifications to a contract or order, the modifications will be applied in the following order—

(1) Modifications will be applied in order of the effective date on the modification;

(2) In the event of two or more modifications with the same effective date, modifications will be applied in signature date order; and

(3) In the event of two or more modifications with the same effective date and the same signature date, procuring contracting office modifications will be applied in numeric order, followed by contract administration office modifications in numeric order.

**Subpart 204.70 [Removed and Reserved]**

3. Remove and reserve subpart 204.70, consisting of sections 204.7000 through 204.7007.

**PART 232—CONTRACT FINANCING**

4. Add section 232.905 to read as follows:

**232.905 Payment documentation and process.**

(b)(1)(iii) For task and delivery orders numbered in accordance with FAR 4.1603 and 204.1603, the 13-character order number may serve as the contract number on invoices and receiving reports. The contract or agreement number under which the order was placed may be omitted from invoices and receiving reports. The contractor may choose to identify both the contract number and the 13-character order number on invoices and receiving reports. Task and delivery orders numbered with a four-position alpha-numeric call or order serial number shall

include both the 13-position basic contract Procurement Instrument Identifier and the four-position order number.

## **PART 243—CONTRACT MODIFICATIONS**

### **243.172 [Amended]**

5. Amend section 243.172 by removing "204.7007" and adding "204.1671" in its place.

6. Amend appendix F to chapter 2, in section F-301, by revising paragraph (b)(1) to read as follows:

#### **Appendix F to Chapter 2—Material Inspection and Receiving Report**

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F-301 Preparation instructions.

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(b) \* \* \*

(1) Contract no/delivery order no.

(i) For stand-alone contracts, enter the 13-position alpha-numeric basic Procurement Instrument Identifier (PIID) of the contract. For task and delivery orders numbered in accordance with FAR 4.1603 and DFARS 204.1603, enter the 13-character order number. The contract or agreement number under which the order was placed may be omitted from the WAWF RR. Alternatively, the contractor may choose to enter the contract number on the WAWF RR in addition to the 13-character order number. If the order has only a four-position alpha-numeric

call or order serial number, enter both the 13-position basic contract PIID and the four-position order number.

(ii) Except as indicated in paragraph (b)(1)(iii) of this appendix, do not enter supplementary numbers used in conjunction with basic PIIDs to identify—

(A) Modifications of contracts and agreements;

(B) Modifications to calls or orders; or

(C) Document numbers representing contracts written between contractors.

(iii) When shipping instructions are furnished and shipment is made before receipt of the confirming contract modification (SF 30, Amendment of Solicitation/Modification of Contract), enter a comment in the Misc. Info Tab to this effect. This will appear in the Comments section of the printed WAWF RR.

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